

STATE BOARD TO REVIEW CLAIMS

MEETING OF DECEMBER 6, 2007
Carson City, Nevada

ITEM V.C.

SUBJECT: Proposed Resolution to Provide Third Party Liability Coverage to Falconi's Tropicana Honda, 4645 West Tropicana Avenue, Las Vegas, Nevada. Facility I.D. No. 8-001048, Petroleum Fund Case ID No. 1994000086

DISCUSSION: The State Board to Review Claims (Board) previously approved the subject site for \$1 million in State of Nevada Petroleum Fund (Fund) coverage for first party liability claims with a \$10,000 deductible. As of the September 6, 2007 meeting, the subject site has been reimbursed \$988,209.78. Despite progress in remediating the site, contamination remains at concentrations in excess of Nevada State Action Levels. Because the contamination has spread off-site and created a potential for third party liability, third party liability coverage has been requested.

Nevada Division of Environmental Protection (NDEP) therefore, recommends that the subject facility receive third party liability coverage.

RECOMMENDATION: **Adoption** of Resolution No. 2007-12 as proposed, granting third party liability Fund coverage to the subject site with a \$10,000 deductible.

RESOLUTION NO. 2007-12

Resolution to Provide Third Party Liability Petroleum Fund Coverage
for Falconi's Tropicana Honda
4645 West Tropicana Avenue, Las Vegas, Nevada
Petroleum Fund Case ID No. 1994000086
Facility ID No. 8-001048

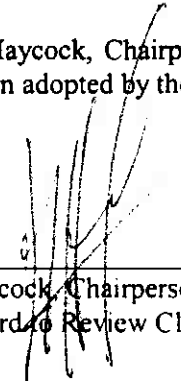
Whereas, the State Board to Review Claims (hereinafter referred to as the Board) Finds:

1. The subject site was previously granted Fund coverage for \$1 million in first liability claims with a \$10,000 deductible.
2. As of the September 6, 2007 meeting, the subject site has been reimbursed \$988,209.78.
3. Despite progress in remediating the site, contamination remains at concentrations in excess of Nevada State Action Levels, has spread off-site, and creates a potential for third party liability.
4. In accordance with Board Resolution No. 2007-10, the owner/responsible party has acknowledged that using third party liability funds for corrective actions will reduce the remaining funds in the event of a third party lawsuit (Attachment A).

THEREFORE BE IT RESOLVED:

- 1) The owner/operator has acknowledged that using third party liability funds for corrective actions will reduce the remaining funds in the event of a third party lawsuit.
- 5) The Board grants third party liability Fund coverage to Falconi's Tropicana Honda, Petroleum Fund Case ID No. 1994000086 with a \$10,000 deductible.
- 6) The maximum amount that the Board will reimburse for third party liabilities due to the discharge from the underground storage tank system for this case is \$990,000 (maximum cap of \$1,000,000 for the tank less the \$10,000 deductible).

I, John Haycock, Chairperson, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the Nevada State Board to Review Claims on December 6, 2007.



John Haycock, Chairperson
State Board to Review Claims